The following Remarks are in response to the Office action mailed October 31,

2008. Claims 4, 6, and 8 have been amended for correcting minor informalities. No

new matter is added by these amendments. Claims 1-9 remain pending in the

application. Applicant appreciates Examiner's careful review of the present application.

Claim Rejections Under 35 U.S.C. §103

I. Claims 1-7 were rejected under 35 U.S.C. §103(a) as being unpatentable over

Turner et al. (US 6,470,228 B1, hereinafter "Turner") in view of Chen et al. (US

2003/0126043 A1, hereinafter "Chen").

II. Claims 8 and 9 were rejected under 35 U.S.C. §103(a) as being unpatentable

over Turner in view of Feeney, JR. et al. (US 2002/0032582, hereinafter "Feeney").

Applicant respectfully submits that all the hitherto pending claims are now placed

in condition for allowance. Detailed reasons for allowance are as follows:

Claims 1-7

Claim 1 recites in part:

"an application server for managing material distribution and returned materials by

executing an inventory management program, the inventory management program

comprising a material distribution management module for managing outgoing

stocks that are to be distributed to different places, and a returned material

management module for managing incoming stocks that are received from different

places" (Emphasis added).

Applicant submits that Turner and Chen, taken alone or in combination, do not teach

or otherwise suggest the invention having the above-highlighted features as set forth in

claim 1.

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Turner discloses a material management system 10 that includes a data storage device 20 for storing order information, product information, work center information, and inventory information for products (see the Abstract of Turner), and further includes a nesting application 22 that is a computer software program for managing the order information, the product information and the inventory information (col. 3, lines11-20). In addition, Turner discloses a processor 12 executes the nesting application 22 to retrieve order information, product information, work center information, and inventory information from the data storage device (col. 5, lines 25-30), and to update the inventory information to reflect return of excess material areas 62 and 64 to inventory (col. 11, line 67-col. 12, line 2).

Accordingly, the data storage device of Turner may be corresponding to a database as provided by claim 1, both of which are used for storing various information/data in the respective system. Referring to lines11-20 in col. 3 of Turner, the nesting application 22 is a computer software program and can be executed by the processor 12, which may manage (i.e., retrieve and/or update) the order information, the material information and the inventory information. However, Applicant submits that the nesting application 22 of Turner is not identical to the application server of claim 1 because the nesting application 22 is a computer software program instead of a computer device. Accordingly, Applicant submits that the application server as provided by claim 1 is patentably distinct from the nesting application 22 as disclosed by Turner.

On page 3 of the current Office action, it is stated that Turner does not disclose the inventory management program, which includes "a material distribution management module and a returned material management module" as recited in claim 1. However, the Office Action refers to Chen as disclosing the material distributing management module and the returned material management module of claim 1. Applicant disagrees

with this assertion that Chen discloses the material distributing management module and the returned material management module, and respectfully traverses as follows:

Chen discloses a method for managing decentralized production and centralized materials distribution that aims at resolving the problems of manually distributing materials by the ERP server in the manufacturing industry (see Abstract of Chen). In paragraph [0004], Chen further discloses daily problems in the manufacturing industry, such as how to manage excess/surplus stock. In addition, Chen discloses an exploded view of presently known bills of material (BOM) that illustrates the method of exploding the BOM, and further discloses that the system explodes the first level of the BOM of prototype A including material modules C, D and E, then explodes the second level including material modules H, I, J and K (paragraphs [0047]-[0048] & FIG. 5).

According to the above disclosures, Chen's method may manage production and materials distribution in the manufacturing industry. From FIG. 5 and the paragraphs [0047]-[0048] of Chen, it is apparent that each of the material modules C, D and E is an element of the product A, which is in the first level of the BOM instead of function modules of a computer program. However, the claimed "material distribution management module" and "returned material management module" are function modules of a computer program, i.e. an inventory management program. As recited in claim 1, the inventory management program includes the material distribution management module and the returned material management module for managing material distribution and returned materials, respectively. As noted above, the material distribution management module can manage distribution of outgoing stocks to different places, and the returned material management module can manage incoming stocks that are received from different places. Such two function modules and respective functions as provided by claim 1 are not taught or suggested by Chen. Thus, it is apparent that the material modules C, D and E of Chen are not comparable with the material distribution management module and the returned material management module of claim 1 of the present application. That is, Applicant submits that "the

material distribution management module and the returned material management

module" as provided by claim 1 is patentable and distinct from "the material modules C,

D and E" as disclosed by Turner.

For at least the above reasons, Chen fails to teach or suggest the features of "the

inventory management program comprising a material distribution management

module for managing outgoing stocks that are to be distributed to different places,

and a returned material management module for managing incoming stocks that are

received from different places," as recited in claim 1 of the present application. As

stated on page 3 of the current Office action, Turner also does not disclose or suggest

the above-highlighted features. Additionally, Applicant submits that any combination

of Turner and Chen does not teach or suggest the above-highlighted features either.

In conclusion, Applicant submits that neither Turner nor Chen, taken alone or in

combination, teaches or otherwise suggests the invention having the above-highlighted

features as set forth in claim 1. That is, claim 1 is unobvious and patentable under 35

U.S.C. §103(a) over Turner in view of Chen. Reconsideration and removal of the

rejection and allowance of claim 1 are requested.

Claims 2-7 depend from independent claim 1, and thus include all of the limitations

of independent claim 1. Therefore, Applicant believes that claims 2-7 should also be

allowable.

Claim 8

Claim 8 recites in part:

"executing an inventory management program by said application server, said

inventory management program comprising a material distribution management

module for managing said outgoing stocks that are to be distributed to different

places" (Emphasis added).

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Applicant submits that Turner and Feeney, taken alone or in combination, do not teach or otherwise suggest the invention having the above-highlighted feature as set forth in claim 8.

On pages 4-5 of the current Office action, Examiner states that Turner does not disclose the above-highlighted feature as set forth in claim 8. However, Examiner asserts that Feeney discloses the feature of "said inventory management program comprising a material distribution management module for managing said outgoing stocks that are to be distributed to different places" as recited in claim 8. Applicant respectfully disagrees with this assertion and traverses as follows:

Feeney discloses an inventory management module to control and manage an inventory of a product, the inventory management module can be configured to manage and control a physical inventory and a virtual inventory for the product, and further configured to manage and control the virtual inventory by tracking ownership and utilization of a plurality of individually owned and co-mingled product inventories in one or more dispensers (page 4, paragraph [0040]). Thus, the inventory management module of Feeney can control and manage an inventory of a product, which may be corresponding to the claimed "inventory management program" of claim 8. However, there is no disclosure or suggestion in Feeney regarding the clamed "material distribution management module" that is included in the inventory management program of claim 8. That is, the inventory management module of Feeney is not be comparable with a "material distribution management module" as provided by claim 8, which can manage outgoing stocks that are to be distributed to different places. Accordingly, Applicant submits that "the inventory management program including the material distribution management module" as provided by claim 8 is patentably and distinct from the inventory management module of Feeney.

For at least the above reasons, Feeney clearly fails to teach or suggest the feature of "said inventory management program comprising a material distribution

management module for managing said outgoing stocks that are to be distributed to

different places," as recited in claim 8 of the present application. As stated above,

Turner also does not disclose or suggest the above-highlighted feature. Additionally,

Applicant submits that any combination of Turner and Feeney does not teach or suggest

the above-highlighted features either.

In conclusion, Applicant submits that neither Turner nor Feeney, taken alone or in

combination, teaches or otherwise suggests the invention having the above-highlighted

features as set forth in claim 8. That is, claim 8 is unobvious and patentable under 35

U.S.C. §103(a) over Turner in view of Feeney. Reconsideration and removal of the

rejection and allowance of claim 8 are requested.

Claim 9

Claim 9 recites in part:

"executing an inventory management program by said application server, said

inventory management program comprising a returned material management module

for managing said incoming stocks that are received from said warehouse" (Emphasis

added).

Applicant submits that Turner and Feeney, taken alone or in combination, do not

teach or otherwise suggest the invention having the above-highlighted feature as set

forth in claim 9.

On pages 4-5 of the current Office action, it is stated that Turner does not disclose

the above-highlighted feature as set forth in claim 9. However, the Office Action

asserts that Feeney discloses the feature of "said inventory management program

comprising a returned material management module for managing said incoming stocks

that are received from said warehouse" as recited in claim 9. Applicant respectfully

disagrees with this assertion and traverses as follows:

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Referring to paragraph [0040] of page 4 in Feeney, the inventory management

module can control and manage an inventory of a product, which may be corresponding

to the claimed "inventory management program" of claim 9. However, there is no

disclosure or suggestion in Feeney regarding the clamed "returned material

management module" that is included in the inventory management program of claim 9.

That is, the inventory management module of Feeney does not include a "returned

material management module" as provided by claim 9, which can manage incoming

stocks that are received from a warehouse. Accordingly, Applicant submits that "the

inventory management program including the returned material management module"

as provided by claim 9 is patentably distinct from the inventory management module of

Feeney.

For at least the above reasons, Feeney clearly fails to teach or suggest the feature of

"said inventory management program comprising a returned material management

module for managing said incoming stocks that are received from said warehouse,"

as recited in claim 9 of the present application. As stated above, Turner also does not

disclose or suggest the above-highlighted feature. Additionally, Applicant submits that

any combination of Turner and Feeney does not teach or suggest the above-highlighted

features either.

In conclusion, Applicant submits that neither Turner nor Feeney, taken alone or in

combination, teaches or otherwise suggests the invention having the above-highlighted

features as set forth in claim 9. That is, claim 9 is unobvious and patentable under 35

U.S.C. §103(a) over Turner in view of Feeney. Reconsideration and removal of the

rejection and allowance of claim 9 are requested.

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## **CONCLUSION**

Applicant submits that the foregoing Amendment and Response place this application in condition for allowance. If Examiner believes that there are any issues that can be resolved by a telephone conference, or that there are any informalities that can be corrected by an Examiner's amendment, please call the undersigned at 714.626.1224.

Respectfully,

Ming Fang Tsai

By /Frank R. Niranjan/ Date: December 2, 2008

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